

Notes on meeting at ^{Eforie}~~Brasov~~, August 4, 1953, 7:00 p.m.

PRESENT: Americans: Secretary Freeman and Mrs. Freeman
Minister Crawford and Mrs. Crawford
Dorothy Jacobson

Rumanians: Georgehe Georgehe-Dej, President, Council of State.
Ion Georgehe Maurer, Vice President, Council of State, and
Chairman, Council of Ministers.
Alexandru Moghioros, First Deputy Chairman, Council of Ministers
Gaston Marin, Vice Chairman, Council of Ministers.
Victor Birladonu, Vice Chairman, Council of Ministers.
Mihail Dalca, Chairman, Higher Council of Agriculture.
Mireoa Malita, Deputy Foreign Minister.
Bucur Schiopu, First Vice Chairman, Higher Council of Agriculture.

GENERAL ATMOSPHERE: Most cordial and friendly, especially on the part of the President who was in a good mood, and who became more friendly and more expansive--but no less determined--as the interview proceeded. Hunting, fishing, the excellent food provided by the Rumanians were subjects of introductory pleasantries.

THE PRESIDENT EMPHASIZED:

1. Hope for better economic relations with U.S. "We simply do not understand the reason for your restrictive licenses...Probably there are laws--but the most important law is the law of life, and we must take it into account."

He mentioned Garst (as he did several times) and other American industrialists who, he said, apparently did not share the attitude of the American government, and expressed the hope that maybe some day the government would come around to their point of view.

He wants to buy industrial installations, particularly mentioned a synthetic rubber plant, noting that Rumania has all the raw materials needed for synthetic rubber, and adding that if the U.S. is not afraid to have Rumania develop industrially, and produce synthetic rubber, he cannot see why U.S. government will not permit sale. He said that American industry would be willing, and mentioned Phillips Petroleum and two or three other companies.

He said they want greater liberalization of trade, to use the American term, and asked Secretary Freeman to report to President Kennedy and his associates the main features of this request.

FREEMAN: replied that relations respecting agriculture and agricultural know-how were good between the two countries. (Pres. "We are not content only with agriculture".) Gave assurances that he would personally report and convey request to President Kennedy.

F: emphasized importance of exchange of information, of people of all walks of life, to build greater knowledge and greater understanding; expressed the hope that a new period of relaxation of tensions following the Moscow agreement would provide initial step toward better relations.

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F: also emphasized the desire of the American government and the American people for peace, and for the kind of progress that will benefit all people everywhere. Expressed hope that we might achieve a new age of abundance that would accomplish such benefits.

PRESENTMENT GHEORGHIU-BUY COMMENTS ON MOSCOW AGREEMENT:

-- "they acted intelligently" -- met the requirements and demands of world public opinion -- a very good step -- should act more firmly along this road -- "Who is that crazy man who would think to again burn the world?" -- "We must take care of those military people" -- Dedirection of investments to peaceful purposes would be of great help to backward peoples -- "Rumania does not build to be destroyed". "We are prepared to become signatories if that is appropriate (or if we can)".

RE COMMON MARKET:

The President of Rumania expressed complete opposition to the principles of the Common Market because he said they were based on inequality and discrimination -- called it a not very successful hybrid -- and said he favored doing away with all restrictions "here and elsewhere". Said: "We are not so very orthodox".

FREEMAN MAINTAINED THE POLICY OF U.S. AND PRESIDENT KENNEDY IN SUPPORT OF THE COMMON MARKET as based on hopes for liberalized trade, for minimizing restrictions. Said that this does not come overnight. Deplored the difficulty being met in agricultural commodities. Stated that much would depend on next year's GATT negotiations.

ON THE RUMANIAN ECONOMY, THE PRESIDENT OF RUMANIA MADE THE FOLLOWING POINTS:

- rich resources
- rapid progress toward industrialization
(80% of population in agriculture at end of war -- now 65%) We must industrialize. Mechanize agriculture and divert manpower to industry as soon as opportunities outside agriculture are available.
- are achieving present plan ahead of schedule
- emphasized balanced economy and balanced growth, and confidence in future.
- described great improvement in conditions of people since revolution
- expressed pride in progress made in mechanization of agriculture, noted their export of agricultural products "to earn dollars to invest in factories".

IN RESPONSE TO QUESTIONS FROM BOTH FREEMAN AND CRAWFORD RE CMEA (COMECON)

- CMEA offers no restriction on trade

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- no one tries to prevent us from trying to buy from Americans
- "In Stalin's time we were blind".
- "It is not possible (for CEMA to restrict our trade) even if they wanted to they couldn't".
- Both the President and the Prime Minister emphasized that any specialization decided upon within CEMA is the result of discussion and agreement among members.

In replying to question about CEMA being a supra-national planning committee, they explained the role of debate, discussion and agreement and the President used the terms "sovereignty" and "non-interference with internal affairs" and said "We (Rumania) have our road and we walk along it" and that the others recognize this. Said proposals are made, discussed, and then may be withdrawn. "All in a friendly manner". Press has exaggerated differences. "Rumania's place is in CEMA". "It is a democratic institution, as you see."

An interesting observation resulted from the President's misunderstanding of a statement by Freeman to the effect that he had observed among his associates the same firmness and vigor which the President displayed. Apparently thinking that by "associates" Freeman meant other heads of socialist states, the President of Rumania launched into an emphatic statement affirming his friendship with Nikita Khrushchev, saying that we know each other well, are good friends, and although we may think differently on occasion we are very good friends. "In politics it is not only what you want, but what you can do".

Conference ended on note of peace and friendship, greater abundance, and hopes for lesser tensions and closer relations. Freeman reiterated that the policy of President Kennedy and the American people is one of peace and friendship. The President of Rumania commented that Rumania did not want to be caught in the middle of a fight between "two great bulls", and concluded with another expression of his desire to buy industrial plants from U.S. and his hope that Freeman would convey this information to President Kennedy.

Conference lasted nearly two hours.